



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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Press Release 03-12
Jan. 15, 2003
For External Release

DFAS wins e-Payroll competition, will gain 307,000 new civilian payroll customers

ARLINGTON, Va. (Jan. 15) -- The Defense Finance and Accounting Service, in partnership with the General Services Administration, recently won a tough competition to be one of two teams providing payroll services to all executive branch employees by 2004.

"This is a tremendous win for the DFAS team," said Thomas R. Bloom, director of DFAS. "It means we are seen as a world-class provider of payroll services. This big win underscores that our DFAS strategy is working, that we provide best value to our payroll customers and we can act as one organization with one identity."

DFAS will add more than 307,000 new civilian payroll customers from the Department of Veterans Affairs, Health and Human Services and the Department of Energy, an increase of nearly 50 percent over the existing 650,000 Department of Defense civilian employee accounts that DFAS already handles.

Bloom credits the win to DFAS' hard work and preparation. Since its creation 11 years ago, the DFAS team has converted 26 payroll systems into one, consolidated over 350 payroll offices into three, and increased efficiency. One pay technician used to handle 800 employee accounts, they now handle 2,300 accounts.

"Over the past three years I have talked many times about why DFAS must improve efficiency so that we will be competitive when it counts," Bloom said. "Today, DFAS Civilian Pay is leaner and more professional than ever before. It has quality systems, professional staff, and a private sector-style face to its customers with myPay (<https://mypay.dfas.mil>). We reduced the number of personnel performing pay operations from an estimated 3,200 in 1992, to a current operations staff of 294. The bottom line is we're now in shape to compete."

By Sept. 30, 2004, the 1.9 million federal civilians will be customers of the two e-Payroll teams determined by the competition conducted by the Office of Personnel Management as part of the President's Management Agenda.

"We will take on this expanded mission with the same best value service that we provide to all of our customers now," Bloom said. "I'm proud of our team. I know we have what it takes to show the world the true meaning of 'best value to our customers.' More competitions may come our way. Let's stay competitive, best value so we can compete and win those, too!"

About DFAS

The Defense Finance and Accounting Service is the world's largest finance and accounting operation. In FY 2002, the agency disbursed more than \$346.6 billion, paid 5.7 million people, made 7.3 million travel payments and performed more than 124 million accounting transactions while saving the Department of Defense more than \$144 million. For more about the Defense Finance and Accounting Service, please visit <http://www.dfas.mil>.

For more information, please Cathy Ferguson call 703-607-2716.